



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

March 30, 2010

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR OPTION TO RENEW LEASE NO. 60549  
DEPARTMENT OF PUBLIC SOCIAL SERVICES  
17600 SOUTH SANTA FE AVENUE, RANCHO DOMINGUEZ  
(SECOND DISTRICT) (3 VOTES)**

**SUBJECT**

This recommendation is for a five-year lease renewal for the Department of Public Social Services (DPSS) for the continued use of 133,000 rentable square feet of office space and 600 parking spaces.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the lease renewal is categorically exempt from the California Environmental Quality Act pursuant to Class 1, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Exercise the option to renew the lease for a five-year term with 17600 Santa Fe Partners (Lessor) for 133,000 rentable square feet of office space and 600 parking spaces, located at 17600 South Santa Fe Avenue, Rancho Dominguez, for DPSS at an annual first year rent not to exceed \$2,954,008 which is 91 percent State and Federal subvention funded and 9 percent net County cost.

*"To Enrich Lives Through Effective And Caring Service"*

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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

DPSS has been in the facility which houses the South Family District and the South Special District since 1990.

South Family District - 17600A S. Santa Fe - Programs: CalWORKs, Food Stamps and Medi-Cal. The South Family District office provides temporary financial assistance, and employment focused services to families with minor children who have income and property below State maximum limits for their family size. This office serves the residents of Rancho Dominguez area and adjacent communities. The Food Stamp program helps eligible low-income families and individuals meet their basic nutritional needs by increasing their food purchasing power. Medi-Cal provides comprehensive medical benefits to low-income families with children, pregnant women and adults who are over 65, blind, or disabled. Depending on their income and resource levels, individuals and families may be eligible for a no-cost or a share-of-cost Medi-Cal program. CalWORKs families receive no-cost Medi-Cal.

South Special District - 17600B S. Santa Fe - Programs: General Relief (GR) and General Relief Opportunities for Work (GROW). The South Special District provides temporary financial assistance and employment focused services to adults who have income and property below State and County maximum limits. The office serves the residents of Rancho Dominguez area and adjacent communities. GROW provides employment and training services to help employable GR participants obtain jobs and achieve self-sufficiency. Participants are assigned to a GROW Case Manager who will work with them to achieve their employment. GR participants receive Food Stamps.

The renewal will allow DPSS to continue its operation at the subject facility commencing upon the expiration of the existing lease term on April 4, 2010.

### **Implementation of Strategic Plan Goals**

In compliance with the Countywide Strategic Plan, the proposed lease renewal will support the efficient and timely delivery of client-centered supportive services that are convenient for public access (Goal 1, Operational Effectiveness and Goal 2, Children, Family and Adult Well-Being). The proposed lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The proposed five-year lease renewal will provide DPSS with 133,000 square feet of existing office space at a monthly rent of approximately \$246,167, or \$2,954,008 annually. The option to renew provision establishes the rent for the first year of the option to not be less than the rental rate for the final year of the initial term of the Lease, therefore, the annual Base Rent, as negotiated, is unchanged. The Operating Expense Rent is subject to an annual CPI adjustment to a maximum of 6 percent of the base operating expense.

<b>17600S. SANTA FE</b>	<b>EXISTING LEASE NO. 60549</b>	<b>FIVE-YEAR LEASE OPTION</b>	<b>CHANGE</b>
Area (square feet)	133,000	133,000	None
Term	04/05/90 – 04/04/10	04/05/2010 – 04/04/15 upon Board approval	+Five years
Annual Base Rent	\$1,584,480	\$1,584,480	None
Annual Operating Expense Rent	\$1,312,072	\$1,369,528	+\$57,456 (+6 percent maximum of base operating expense )
Tenant Improvement Reimbursement	\$538,962	None	-\$538,962 (Reimbursement to be completed 04/04/2010)
Maximum First Year Rent	\$ 3,435,514	\$2,954,008	-\$481,506
Parking	600 parking spaces	600 parking spaces	None
Cancellation	None	None	None
Option to Renew	One five-year option	Five-year option exercised	No options remain
Rental Adjustment	Annual CPI adjustment capped at 5 percent of Base Rent and 6 percent of Base Operating Expense Rent	Annual CPI adjustment capped at 5 percent of Base Rent and 6 percent of Base Operating Expense Rent	None

Sufficient funding for the proposed rental cost is included in the 2009-10 Rent Expense budget and will be billed back to DPSS. DPSS has allocated sufficient funding in its operating budget to cover the cost associated with this lease. The proposed lease renewal will reduce the current rent by \$482,000 annually because the reimbursement of the Tenant Improvements will be completed on April 4, 2010. The projected lease costs for the space are 91 percent State and Federal subvention funded and 9 percent net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed exercise of the five-year option provides 133,000 rentable square feet and 600 off-street parking spaces. The lease also contains the following provisions:

- The renewal, upon approval by the Board of Supervisors, commences April 5, 2010, and ends five years thereafter.
- Parking for 600 vehicles for the staff and visitors is available on-site.
- The lease is modified full-service whereby the Lessor is responsible for all interior and exterior maintenance. The County is responsible for all utility charges and property taxes.
- The five-year option is under the same terms and conditions of the existing lease. The lease has no cancellation right.

Chief Executive Office (CEO) Real Estate staff did not survey the service area for a replacement facility as this is a lease renewal for office space. DPSS determined it wished to exercise its option to renew and not incur moving and relocation costs associated with moving to another facility. Attachment B shows all County-owned and leased facilities within the surrounding area and there are no County-owned or leased facilities available.

However, based upon a market survey of similar properties, staff has determined that the base rental range including parking for similar properties is between \$24 and \$28 per square foot per year modified full-service gross. Thus, the \$22.21 base rent of the proposed lease renewal represents a market rental rate in the lower range of market.

The Department of Public Works has inspected the facility and found it suitable for County occupancy.

A notification letter has been sent to Regional Planning pursuant to Government Code Section 65402.

It is not feasible to house a child care center at the building. However, there are several private child care centers available within a three-mile radius of the subject location.

**ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no disruption of services as this is an exercise of an option to renew the lease term. DPSS concurs with the proposed lease renewal.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SK:WLD  
CEM:TS:hd

**Attachments**

- c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Department of Public Social Services

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
17600 SOUTH SANTA FE AVENUE, RANCHO DOMINGUEZ**

Asset Management Principles Compliance Form<sup>1</sup>

1.	<b><u>Occupancy</u></b>		Yes	No	N/A
	A	Does lease consolidate administrative functions? <sup>2</sup>			X
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	X		
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sq ft of space per person? <sup>2</sup> <b>No, the space measures out to 218sq. ft. per person and the cost to reconfigure is not cost effective during this renewal.</b>		X	
2.	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program? <b>The lease cost for DPSS is offset by 91% State and Federal funding, and is 9% NCC.</b>		X	
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered? <b>The proposed space is available at a competitive market rate and DPSS has requested to remain at the site; therefore, a build-to- suit or capital project is not under consideration at this time.</b>		X	
3.	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?	X		
	D	Why was this program not co-located?			
		1. ___ The program clientele requires a "stand alone" facility.			
		2. ___ No suitable County occupied properties in project area.			
		3. ___ No County-owned facilities available for the project.			
		4. ___ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? <b>The current lease requires the County pay for property taxes and all utilities.</b>		X	
	F	Has growth projection been considered in space request.	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**DEPARTMENT OF PUBLIC SOCIAL SERVICES  
17600 SOUTH SANTA FE AVENUE, RANCHO DOMINGUEZ  
SEARCH AREA WITHIN SOUTHWEST LOS ANGELES COUNTY (SERVICE AREA)**

Laco	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Available SQFT
X169	DPSS-COMPTON AP DISTRICT OFFICE	211 E ALONDRA BLVD, COMPTON 90220	OWNED	48,135	38,777	NONE
A556	DMH/DC&FS-COMPTON FAMILY SERVICES CENTER	921 E COMPTON BLVD, COMPTON 90221	LEASED	30,090	28,586	NONE
5982	PUBLIC LIBRARY-COMPTON LIBRARY	240 W COMPTON BLVD, COMPTON 90220	OWNED	43,842	15,830	NONE
0370	COMPTON AIRPORT-ADMIN BUILDING-8	901 W ALONDRA BLVD, COMPTON 90220	OWNED	2,880	2,592	NONE
A644	MENTAL HEALTH-FSP ASOC	546 W COMPTON BLVD, COMPTON 90220	LEASED	4,207	3,997	NONE
A620	PUBLIC LIBRARY-EAST RANCHO DOMINGUEZ LIBRARY	4205 E COMPTON BLVD, RANCHO DOMINGUEZ 90221	LEASED	5,000	4,529	NONE
A561	DHS-DOLLARHIDE HEALTH CENTER (P/PP SITE)	1108 N OLEANDER AVE, COMPTON 90222	LEASED	4,685	2,537	NONE
A560	DCSS-EAST RANCHO DOMINGUEZ SERVICE CENTER	4513 E COMPTON BLVD, RANCHO DOMINGUEZ 90221	LEASED	4,436	3,188	NONE
6087	PUB LIB-DR MARTIN LUTHER KING JR LIBRARY	17906 S AVALON BLVD, CARSON 90746	OWNED	5,024	4,084	NONE
A350	DEPT OF ANIMAL CARE AND CONTROL HEADQUARTERS	5898 CHERRY AVE, LONG BEACH 90808	OWNED	12,450	9,897	NONE
X351	CENTURY DETENTION-DETENTION ADMINISTRATION	11705 S ALAMEDA ST, LYNWOOD 90262	FINANCED	20,706	17,600	NONE
Y216	PUBLIC LIBRARY-PARAMOUNT LIBRARY	16254 COLORADO AVE, PARAMOUNT 90723	OWNED	8,750	7,426	NONE
3037	MONA-DIRECTOR'S BUILDING/ COMFORT STATION	2291 E 121ST ST, COMPTON 90222	OWNED	829	296	NONE
A020	SHERIFF-FIELD OPERATIONS REGION II	3010 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	14,040	10,668	NONE
A959	DPSS-PARAMOUNT AP DISTRICT/GAIN PROGRAM REG V	2959 E VICTORIA ST, RANCHO DOMINGUEZ 90221	LEASED	54,000	44,280	NONE
4238	ANIMAL CONTROL #1-DOWNEY SHELTER ADMIN BLDG	11258 GARFIELD AVE, DOWNEY 90242	OWNED	4,257	2,772	NONE
4479	ANIMAL CONTROL #3-ADMINISTRATION BUILDING	216 W VICTORIA ST, CARSON 90248	OWNED	1,495	704	NONE
A034	PUBLIC LIBRARY-WILLOWBROOK LIBRARY	11838 S WILMINGTON AVE, LOS ANGELES 90059	LEASED	2,200	2,039	NONE
6875	PH-OASIS CLINIC	1807 E 120TH ST, LOS ANGELES 90059-3005	OWNED	6,000	5,700	NONE
Y861	ML KING-PLANT MANAGEMENT BUILDING	12021 S WILMINGTON AVE, LOS ANGELES 90059	OWNED	16,000	14,400	NONE